Mr. Speaker, in the aftermath of World War II, the United States constructed a diverse set of international institutions to guarantee peace and better ensure a future for America and the rest of the world. By going to Moscow, President Bush honored the sacrifice of millions of Americans and other allied personnel to secure our present. But it was the road not taken, the one to New York, that would have helped to secure the future.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SIMMONS) is recognized for 5 minutes.

(Mr. SIMMONS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

(Mr. EMANUEL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BILIRAKIS) is recognized for 5 minutes.

(Mr. BILIRAKIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FOSSELLA) is recognized for 5 minutes.

(Mr. FOSSELLA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Guam (Ms. BORDALLO) is recognized for 5 minutes.

(Ms. BORDALLO addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

## CLIMATE CHANGE—NATIONAL COMMISSION ON ENERGY POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico (Mr. UDALL) is recognized for 5 minutes.

Mr. UDALL of New Mexico. Mr. Speaker, I rise today to discuss climate change, one of the most important issues facing our planet today. Thankfully, the issue of climate change has been getting more coverage in the national media. While I know that there are many Members in Congress who are committed to taking action, the level of attention paid to climate change in Congress does not match either the urgency of the issue or the concern of the American public. Given the enormous implications for our economy and our environment, this must change. Climate change is real, and we must act.

The steps we must take to address the issue are a matter of great debate. There is a consensus that we must reduce greenhouse gas emissions, but how we do that is not as simple. I applaud my colleagues in the House as well as the Senate who have introduced or supported legislation to address climate change. I have, however, great concern that their proposals, while extremely well-intentioned and well-crafted, do not have sufficient support in the Congress and do not adequately address the economic challenges our country will face as we move toward a less-carbon-intensive economy.

It is my belief that we must take action now to reduce greenhouse gas emissions, but we must do so in a way that would minimize the impact to our economy. We must implement an economy-wide, upstream, all greenhouse gas cap-and-trade emissions reduction program that provides some flexibility and a measure of certainty to those industries and businesses affected.

The National Commission on Energy Policy, a bipartisan group of top experts from energy, government, labor, academia and environmental and consumer groups, developed a set of sensible policy recommendations for addressing oil security, climate change, natural gas supply, and other long-term energy supply challenges. They advocate for a modest, certain and efficient proposal. Their recommendations have been endorsed by major U.S. businesses and labor groups.

One of the key components of their proposal is the concept of a safety valve for the cap-and-trade program. The safety valve essentially puts a price on carbon but provides for an unlimited number of allowances to be sold by the government. Since no one would pay more than what the government charges for allowances, this mechanism effectively controls the price of allowances.

□ 1430

When set at the right price, the safety valve would start the country down the path of slowing the growth of greenhouse gas emissions without causing economic disruption. While there may be less emissions reduction with a safety valve than without one, today we are doing nothing. And the safety valve creates a potential buy-in from those affected by the legislation.

Another component that I believe is important to integrate into any climate change policy is setting a prospective baseline on greenhouse gas emissions. A sound greenhouse gas emissions reduction policy must recognize that the buildup of greenhouse gas has been taking place over the last century. Since greenhouse gas concentrations are a cumulative measure, sharply reducing a particular year's emissions is substantially less important than the alternative, which is to start down the long-term path of gradually slowing the growth of greenhouse gas emissions. This will also allow businesses to plan for a carbon-constrained world.

Mr. Speaker, I believe any climate change policy we implement must also tie our country's efforts to reducing greenhouse gas emissions to those efforts of the major developing countries. We must ensure that they make a similar commitment to our environment and that the United States is not unfairly burdened. It is a major concern of American business and labor that the developing countries participate in slowing the growth of greenhouse gases to a degree comparable to ours. Any program that does not link our emissions reductions to those of the major developing countries would not only be fundamentally unfair but could also reduce America's competitiveness, resulting in the loss of businesses and jobs in the United States.

And, lastly, Mr. Speaker, a climate change policy must also encourage the development of new greenhouse gas emissions reduction technologies.

Mr. Speaker, I submit for the RECORD two documents to supplement what I have said here today, an editorial and a letter.

The long-term resolution of the greenhouse gas emissions issues lies in the research and development of new technology.

Mr. Speaker, there is irrefutable scientific evidence to justify taking action on climate change. The long-term consequences of failing to act are sufficiently well documented, providing us with every incentive we need to act. I know many of my colleagues believe that the United States can and should adopt a greenhouse gas emissions reduction policy, but I believe that such a policy will only garner support if it is modest, efficient, and fair. Most importantly Mr. Speaker, we must begin the process. We must act and we must do so now. Otherwise, we are simply putting the future of our planet at risk.

[From the Washington Post, Jan. 28, 2005]

A WARMING CLIMATE

For the past four years members of the Bush administration have cast doubt on the scientific community's consensus on climate change. But even if they don't like the science, British Prime Minister Tony Blair, one of their closest allies in Iraq and elsewhere, has given the administration another, more realpolitik, reason to rejoin the climate change debate: ''If America wants the rest of the world to be part of the agenda it has set, it must be part of their agenda, too,'' the prime minister said this week.

Mr. Blair's speech came at an interesting moment, both for the administration's energy and climate change policies and for the administration's diplomatic agenda. In the next few weeks, the House will almost certainly vote once again on last year's energy bill, a mishmash of subsidies and tax breaks that finally proved too expensive even for a Republican Senate to stomach. After a House vote, there may be an attempt to trim the cost of the bill and add measures to make it acceptable to more senators—including the growing number of Republicans who have, sometimes behind the scenes, indicated an interest in climate change legislation.

Indeed, any new discussion of energy policy could allow Sens. John McCain (R-Ariz.) and Joseph I. Lieberman (D-Conn.) to seek another vote on their climate change bill, which would establish a domestic ''cap and trade'' system or controlling the greenhouse gas emissions that contribute to global warming.

If domestic politics could prompt the president to look again at the subject, international politics certainly should. Administration officials assert that mending fences with Europe is a primary goal for this year; if so, the relaunching of a climate change policy—almost any climate change policy—would be widely interpreted as a sign of goodwill, as Mr. Blair made clear. Beyond the problematic Kyoto Protocol, there are ways for the United States to join the global discussion, not least by setting limits for domestic carbon emissions.

Although environmentalists and the business lobby sometimes make it sound as if no climate change compromise is feasible, several informal coalitions in Washington suggest the opposite. The Pew Center on Global Climate Change got a number of large energy companies and consumers—including Shell, Alcoa, DuPont and American Electric Power—to help design the McCain-Lieberman legislation. A number of security hawks have recently joined forces with environmentalists to promote fuel efficiency as a means of reducing U.S. dependence on Middle Eastern oil. Most substantively, the National Commission on Energy Policy, a group that deliberately brought industry, environmental and government experts together to hash out a compromise, recently published its conclusions after two years of debate.

Among other things, it proposed more flexible means of promoting automobile fuel efficiency and suggested determining in advance exactly how high the ''price'' for carbon emissions should be allowed to go, thereby giving industry some way to predict the ultimate cost of a cap-and-trade system.

They also point out that legislation limiting carbon emissions would immediately create incentives for industry to invent new fuel-efficient technologies, to build new nuclear power plants (nuclear power produces no carbon) and to find cleaner ways to burn coal. Technologies to reduce carbon emissions as well as fossil fuel consumption around the world are within reach, in other words—if only the United States government wants them.

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JUNE 12, 2003.

Hon. JOHN MCCAIN,
*Russell Office Building, Washington, DC.*
Hon. JOSEPH LIEBERMAN,
*Hart Senate Office Building, Washington, DC.*

DEAR SENATORS MCCAIN AND LIEBERMAN: As Congress takes up the issue of market-based systems to reduce emissions of carbon dioxide and other greenhouse gases, we are writing to encourage you to incorporate an allowance price cap sometimes referred to as a ''safety valve.'' In the context of a cap-and-trade system for emission allowances, a safety valve would specify a maximum market price at which the government would step in and sell additional allowances to prevent the price from rising any further. Much like the Federal Reserve intervenes in bond and currency markets to protect the economy from adverse macroeconomic shocks, this intervention is designed to protect the economy automatically from adverse energy demand and technology shocks. While we disagree on what steps are necessary in the short run, we both agree it is particularly important to pursue them in a manner that limits economic risk.

Our support for the safety valve stems from the underlying science and economics surrounding the problem of global climate change, and is something that virtually all economists—even two with as politically diverse views as ourselves—can agree upon. It is based on three important facts.

First, unexpected events can easily make the cost of a cap-and-trade program that includes carbon dioxide quite high, even with a modest cap. For example, consider an effort to reduce domestic carbon dioxide emissions by 5% below future forecast levels over the next ten years—to about 1.8 billion tons of carbon. This is in the ballpark of the domestic reductions in the first phase of McCain-Lieberman allowing for offsets, the targets in the Bush climate plan, and the level of domestic emission reductions described by the Clinton administration under its vision of Kyoto implementation. Based on central estimates, the required reductions would amount to about 90 million tons of carbon emissions, and might cost the economy as a whole around $1.5 billion per year. However, reaching the target could instead require 180 million tons of reductions because of otherwise higher emissions related to a warm summer, a cold winter, or unexpected economic growth. Based on alternative model estimates, it could also cost twice as much to reduce each ton of carbon. The result could be costs that are eight times higher than the best guess.

Second and equally important, the benefits from reduced greenhouse gas emissions have little to do with mission levels in a particular year. Benefits stem from eventual changes in atmospheric concentrations of these gases that accumulate over very long periods of time. Strict adherence to a short-term emission cap is therefore less important from an environmental perspective than the long-term effort to reduce emissions more substantially. Without a safety valve, cap-and-trade risks diverting resources away from those long-term efforts in order to meet a less important short-term target.

Finally, few approaches can protect the economy from the unexpected outcome of higher energy demand and inadequate technology as effectively as a safety valve. For example, opportunities to seek offsets outside a trading program can effectively reduce the expected cost to a particular emission goal—which is beneficial—but that does not address concerns about unexpected events. In fact, if the system becomes dependent on these offsets, their inclusion can increase uncertainty about program costs if the availability and cost of the offsets themselves is not certain. Another proposal, a ''circuit breaker,'' would halt future declines in the cap when the allowance price exceeds a specified threshold, but would do little to relax the current cap if shortages arise. Features that do provide additional allowances when shortages arise, such as the possibility of banking and borrowing extra allowances, are helpful, but only to the extent they can ameliorate sizeable, immediate, and persistent adverse events.

To summarize, the climate change problem is a marathon, not a sprint, and there is little environmental justification for heroic efforts to meet a short-term target. Such heroic efforts might not only waste resources, they risk souring our appetite to confront the more serious long-term problem. Absent a safety valve, a cap-and-trade program risks exactly that outcome in the face of surprisingly high demand for energy or the failure of inexpensive mitigation opportunities to arise as planned. A safety valve is the simplest, most transparent way to signal the market about the appropriate effort to meet short-term mitigation goals in the face of adverse events.

While trained economists hold divergent views on many topics—as our own views demonstrate—economic theory occasionally delivers a relatively crisp message that virtually everyone can agree on. We believe this is one of those occasions, and hope you will consider these points as Congress addresses various climate change policies in the coming months.

Sincerely,

R. GLENN HUBBARD,
*Professor, Columbia University, Chairman, Council of Economic Advisers, 2001–2003.*

JOSEPH E. STIGLITZ,
*Professor, Columbia University, Chairman, Council of Economic Advisers 1995–1997.*

## THE UNITED NATIONS

The SPEAKER pro tempore (Mr. MACK). Under the Speaker's announced policy of January 4, 2005, the gentleman from New Jersey (Mr. GARRETT) is recognized for 60 minutes as the designee of the majority leader.

Mr. GARRETT of New Jersey. Mr. Speaker, I rise this evening to discuss a topic of worldwide importance, and that is the United Nations.

The United Nations was created in 1945 after World War II, and it was done to preserve world peace through collective security; and I believe, quite frankly, that it has failed miserably in its role.

As we approach the 60th anniversary of the United Nations, I wanted to discuss the United Nations this afternoon, to look at its original charter and its mission, and evaluate if the United Nations has accomplished what it was designed to do.

If we look over here, we have set out what its initial mission was: ''The United Nations Failing its Mission.'' Its charter calls as follows: The U.N.